

Audit's[®] NEWS ANALYSIS OF SECURITIES OF REAL ESTATE INVESTMENT TRUSTS

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INVESTMENT OUTLOOK AND STATISTICAL ISSUE

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INVESTMENT OUTLOOK: EQUITY AND LONG-TERM MORTGAGE TRUSTS STILL FAVORED

Once again the market is displaying its preference for equity and long-term mortgage trusts. An unchanged reading in average price of all trusts for the month masks strong gains of 3.2% by equity trusts and 2.8% for long-term mortgage groups (see table, p. 3). Smaller equity trusts are finding favor: Wisconsin REIT rose 37% on news a West Coast investor group has assembled a block of shares; Denver REIA and Gould Investors were standouts at 13% and 18% gains respectively. Equitable Life Mtg. and United Realty posted good gains in the long-term group.

Meantime short-term trusts were down almost unanimously, exceptions being cheapies Fidelity Mtg. and Citizens & Southern Realty, both nearly doubling to 5/8. C&S holders approved issuing shares to honor potential conversion of \$30 million debentures into shares via exercise of variable-price warrants in October. News in troubled trusts was dominated by these debt restructuring moves:

--Citizens Mortgage Inv. Trust agreed to convey \$50 million net book assets and either shares or warrants for 2.8 million shares to satisfy \$56 million bank debt; then it plans to offer 30% of par for its \$20 million defaulted 8½% debentures.

--Chase Manhattan M&R Trust received bids for only \$226.4 million assets in its asset swaps, well below its \$275 million goal. Only \$13.3 million of the 7-7/8% senior notes were tendered at 80. Unless banks now tender up to \$48.6 million of their debt at 80, the swaps will not be consummated.

--Capital Mtg. Inv. plans to build 300 homes on four foreclosed land parcels, and will also offer convertible preferred shares to its banks for a waiver of all past and future contingent interest.

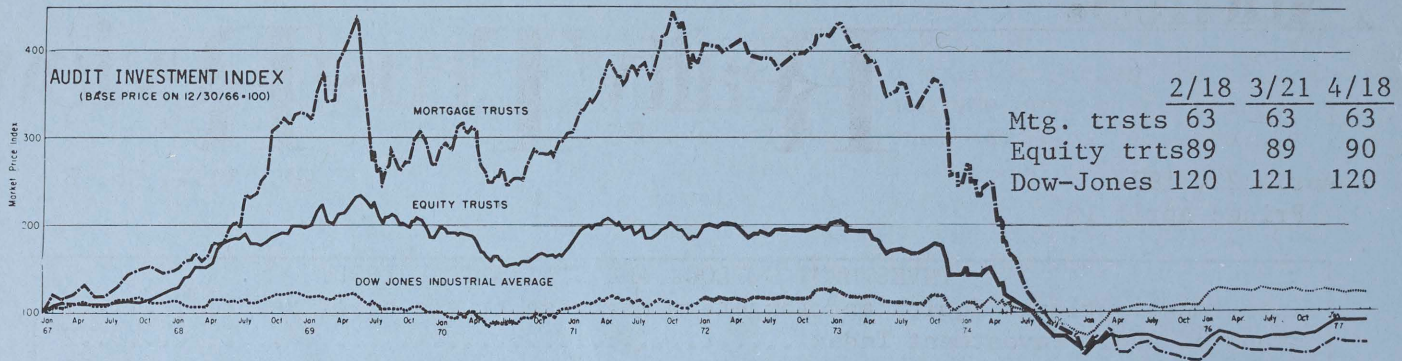
--First Virginia Mtg. extended to May 16 its offer to exchange its variable rate senior subordinated notes for a new 4% issue. // Monthly tally of nonearning assets:

Group	Number	---Invested assets---		Non-earning	Change
		Non-earning	Total	Month %	
Short-term mortgage...	59	\$6,764M	\$9,127M	74%	-1.8%
Inter. & long-term mtg.	28	1,650	3,887	42	-0.8
Equity & combination...	45	871	3,399	26	-2.8
TOTALS/AVERAGES...	132	\$9,285M	\$16,413	57%	-1.7%

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FIRST UNION REAL ESTATE EQUITY & MORTGAGE INVESTMENTS (12--NYSE--FUR) FY Oct. 31

REAL ESTATE INVESTMENTS: Total investments have risen very gradually over the years, including the recent real estate recession, and currently are near their all-time peak. The trust remains actively involved in receiving and evaluating equity purchase proposals, although only a very few purchases have been made in recent years. The trust buys only proven cash flow and becomes involved in developmental situations only through mortgages convertible into equity when cash flow is proven. Investments at gross cost before depreciation are 61% office buildings, 31% shopping centers, and 9% hotels and parking garages. Original holdings were concentrated in Cleveland and 30% of investments are still located in that city; another 2% are in Dayton, O. and 20% are in Pennsylvania. Major holdings include:

Building & city	Sq.Ft.	Cost#
Office buildings:		
Union Commerce, Cleveland.....	972T	\$25.5M
Illuminating Bldg., Cleveland.....	403	22.5
One Oliver Plaza, Pittsburgh.....	595	24.6
111 John St., New York.....	268	10.2
845 Figueroa (Linder), L.A.....	130	6.4
Shopping centers:		
Wyoming Valley, Wilkes-Barre, Pa..	892*P	11.6
Mall 205, Portland, Ore.....	256	7.4
North Valley S.C., Denver.....	493*	4.1
Middletown Mall, Fairmont, W.Va...	471*P	5.8
Crossroads S.C., St. Cloud, Minn.	256	6.2
Hotels/Other:		
Quality Inn, Anaheim, Cal.....	285 rms.	5.1
Union Commerce Garage, Cleve.....	1200 cars	6.2

Million dollars cost, before depreciation.

* 50% ownership. P-Preferred trust ownership.

FUR owns 3.3 million sf office space; occupancy rose to 94.4% in FY 1976 from 93%. Over 90% of expiring leases renewed in the year at 15%-25% rent increases. The Union Commerce and Illuminating Buildings, both in downtown Cleveland, are 99% and 96% leased respectively; the Union Commerce building is net leased to a major bank through 1991. The 1,200-space Union Commerce Garage was added in Dec. 1975, for \$6 million purchase price and then mortgaged for \$4½ million. One Oliver Plaza in Pittsburgh was acquired in Jan. 1972 and leased back to

Oliver Tyrone Corp. for eight years; it is 96½% leased. Nineteen operating properties are net leased to First Union Management, Inc., a separate company whose shares are held in trust for FUR shareholders and whose results are consolidated with the trust. The arrangement permits efficient internal supervision of building management while retaining the trust's legal status as a passive investor. As a result trust office properties have generally been well occupied and maintained. In recent months the trust has leased an additional 60,000 sf to Third National Bank in its 200,000 sf Third National Bldg. in Dayton, at the same time agreeing to spend \$3 million to renovate the building, including adding 7,800 sf by bridging a courtyard light-well on two floors. The management company seeks to upgrade yield and occupancy at other trust properties in similar fashion. One current problem being explored: the parking facility at Linder Building near downtown Los Angeles is currently operating at break-even because of new competitive facilities and the trust is studying alternate uses.

The trust owns 2.7 million sf of shopping center space, net of 50% ownerships by others. Occupancy climbed to 94½% in FY 1976, up from 90.3%, and overage income

(Continued on page 7)

DIVIDEND TRENDS: WELLS FARGO BOOST HIGHLIGHTS STEADY APRIL DECLARATIONS

April declarations exhibited steadiness with the only changes among quarterly payers being an increase by Wells Fargo Mortgage Investors and another cut by Hotel Investors. The Wells Fargo boost results from a second declaration making a total of 25¢ to be paid in May vs. 20¢ paid in February. The trust's earnings benefitted particularly from improved return on foreclosed properties with both earnings and cash flow rising. Hence coverage makes the new rate appear sustainable. Hotel incurred another reduction with travel seasonality partly to blame. New Plan Realty, the small equity trust paying monthly and not included in the totals, raised payment $\frac{1}{2}$ ¢, 6¢ annually. This month's group was almost all equity and long-term. Even Wells Fargo is now equity anchored.

	Up	Same	Down	Total	%Change
April	1	8	1	10	+1%
Year	7	38	4	49	--
-----From previous year-----					
April	3	5	2	10	+4%
Year	20	23	6	49	--

Trust	Record date	Latest	Previous	Dividend/share--	Net change--	Year Ago	% Change
				Amt.	Percent		
Commonwealth Realty	4/25	\$0.20	\$0.20	--	NC	\$0.20	NC
Connecticut Gen. M&R	4/29	0.40	0.40	--	NC	0.40	NC
Consolidated Cap Rlty	4/15	0.1684M	0.1684	--	NC	0.1667	+1
Equitable Lf M&R	4/15	0.55	0.55	--	NC	0.50	+10
Hotel Investors	4/18	0.30	0.32	\$.02	-6	0.35	-14
JMB Realty	4/14	0.40	0.40	--	NC	0.40	NC
New Plan Realty	4/15	0.075M	0.075	--	NC	0.07	+7
New Plan Realty	5/16	0.08M	0.075	+0.005	+7	0.075	+7
Norwestrn Mut Lf M&R	4/22	0.25	0.25	--	NC	0.25	NC
REIT of America	4/15	0.30	0.30	--	NC	0.35	-14
Riviere Realty	4/1	0.25	0.25	--	NC	0.25	NC
Vagabond RE Equities	4/1	0.46	0.46	--	NC	0.436	+6
Wells Fargo Mtg.-a	5/6	0.13a	0.20	+0.05a	+25a	0.08	+213a
TOTALS (10 Trusts)b		\$3.24a	\$3.30	\$.05a	+15a	\$3.216	+42a

a- 12c dividend with 5/6/77 record date previously compared in Dec. 24, 1976 REALTY TRUST REVIEW included in all comparisons this issue. b- Excludes monthly dividends. NC- No change. M- Monthly. Trusts with dividends reduced from previous quarter underlined.

COMPARATIVE TRUST GROUP AVERAGES 04/19/77

GROUP	N	SHARE (000)	BOOK VALUE	ANN DIV*	EARN ANN*	LAST PRICE	% CHNG FROM--	P/F RATIO	ANN* YIELD	% PR TC PK	RETURN CN EK	MARKET VALUE
EQUITY TRUSTS	20	2050	11.77	0.41	0.93	11.25	3.2	6.8	7.2	-4.4	7.9	571.3
EQUITY AND MORTGAGE COMFIN	22	1658	9.42	0.33	0.55	5.77	-2.1	7.0	5.7	-32.8	5.9	196.6
SUBORDINATED LAND TRUSTS	3	2689	11.75	0.40	0.58	6.61	1.0	11.3	6.1	-43.8	5.0	48.6
AVERAGE 3 EQUITY GROUPS	45	1501	10.62	0.55	0.72	8.26	1.2	5.8	6.6	-22.2	6.8	116.6
SHORT-TERM MTG-INDEPENDENT	18	3722	-0.26	0.00	0.50	1.07	-9.0	-4.6	0.0	-513.5	-191.2	43.9
SHORT-TERM MTG-MTG BANKER	16	2017	8.77	0.25	0.24	4.65	-4.0	-3.3	6.3	-47.0	2.8	162.3
SHORT-TERM MTG-COMMCL BANK	17	2314	2.72	0.05	0.26	2.54	-2.7	4.1	1.9	-6.3	9.5	108.5
SHORT-TERM-MISC FINCI	8	2381	5.10	0.02	0.66	2.54	-6.4	-10.0	3.9	-50.3	12.9	40.2
AVERAGE 4 SHORT-TERM GROUPS	59	2672	3.77	0.10	0.38	2.66	-4.6	-2.5	7.0	-29.4	10.1	354.9
INTERMEDIATE-TERM MORTGAGES	6	3345	5.75	0.37	2.87	4.26	-3.1	-1.1	8.8	-25.9	49.9	49.2
LONG-TERM MTG & EQUITIES	22	2526	11.82	0.45	0.45	7.35	2.7	2.8	6.7	-37.8	4.2	632.5
AVERAGE LONG & INTERMEDIATE	28	3016	10.52	0.47	1.00	6.69	1.8	2.2	7.0	-36.4	5.5	681.7
OVERALL AVERAGE	132	2482	7.54	0.33	0.63	5.43	0.0	2.9	8.6	-28.0	8.3	1853.2
DOW-JONES INDUSTRIAL AVERAGE					96.72	942.76	-1.1	-6.2	9.7	4.5	Latest quarter annualized	

STRAIGHT BONDS

Issuer & Desc.	Ex.	Int.	Mat.	Mil.\$	Price	Change	Yield
Alison Mtg.-b	OC	8.75%	'79	\$ 7.0	\$35.00	- 19%	25%
Atico Mtg.-c#	NY	6.75	'82	16.9	57.50	- 7	12
BT Mtg. Inv.-c	OC	5.75	'82	20.0	50.00	- 2	12
Barnett Mtg.-c	OC	6.75	'91	17.3	19.00	- 5	36
Barnett Mtg.-cd	OC	8.50	'98	30.0	28.00	- 7	30
Barnett-Win.-ce	OC	8.25	'98	30.0	32.00	- 11	26
Cabot C&F Land-c	NY	8.50	'81	23.0	61.25	- 3	14
Chase Man. Tr.-a	NY	7.88	'78	50.0	87.00	+ 6	9
Chase Man. Tr.-c	NY	7.50	'83	60.0	58.50	0	13
Cit.&So. Rlty.-c#	OC	6.75	'78	30.0	28.00	+ 40	24
Cit. Mtg. Inv.-b	OC	8.50	'80	20.0	27.00	+ 15	31
Cit. Mtg. Inv.-b	NYx	8.20	'80	25.0	25.00	- 11	33
Colwell Mtg.-b	NY	7.63	'79	25.0	87.00	+ 9	9
Cont. Ill.Rl.-b	NY	6.50	'82	30.0	37.00	- 12	18
Cousins M&E-c	OC	6.75	'82	12.6	30.00	0	23
First Mtg.-a	OC	8.25	'77	23.5	52.00	+ 4	16
First Mtg.-a	OC	8.125	'80	20.0	35.00	- 8	23
First Virg.-b	OC	7.55	'79	25.0	10.00	0	76
Great Amer.Mtg.-b,VJ	OC	8.75	'83	25.0	10.00	0	88
Great Amer.Mtg.-c,VJ	OC	8.75	'83	25.0	10.00	0	88
Guardian Mtg.-b	NYx	7.50	'79	25.0	21.00	- 28	36
Guardian Mtg.-c#	ASx	6.75	'86	8.6	20.00	- 17	34
Gulf Mtg.&Rl.-c#	AS	7.70	'80	20.0	70.50	- 6	11
IDS Realty-h	OC	--	--	179.8	18-25	+ 20	NC

STRAIGHT BONDS

Issuer & Desc.	Ex.	Int.	Mat.	Mil.\$	Price	Change	Yield
Instl. Inv.-b	NY	7.88	'80	\$20.0	\$67.25	- 4%	12%
Justice Mtg.-b	OC	7.75	'79	12.6	32.00	0	24
LMI Investors-c	NYx	6.75	'82	10.0	38.00	0	18
Midland Mtg.-b	NY	8.00	'80	18.5	59.75	0	13
Mtg. Inv. Wash.-b	OC	8.50g	'80	15.0	59.00	0	14
NJB Prime Inv.-c#	OC	7.00	'80	12.9	30.00	0	23
Nationwide RE-c	OC	7.00	'91	6.5	65.00	0	11
No.Amer. Mtg.-c	NY	5.50	'79	27.8	83.00	- 2	7
Saul (B.F.)-c	NY	8.50	'80	25.0	85.88	- 1	12
State Mut. Inv.-b	NYx	9.00	'80	25.0	62.00	+ 3	15
Security Mtg.-#	AS	7.25	'82	50.0	75.00	0	10
Security Mtg.-c#	OC	6.00	'82	17.1	50.00	0	12
Tri-South Mtg.-b	NY	7.75	'80	25.0	48.50	- 8	16

Description: a-Senior; b-Senior subordinate; c-Subordinate or junior subordinate. d-Convertible at \$39 till 9/1/78 when price may be adjusted. e-Convertible at \$31 till 12/1/78 when price will be adjusted. f-Variable at 1 1/2% over monthly prime.

g-Variable rate at 1 1/2% over prime in Oct. and April. h-Five series, A-E: 6-7/8, 7-1/8, 7-3/8, two variable; 1987-94. VJ-Bankruptcy reorganization.

x-Suspended by exchange.

#-May be used at par to exercise warrants.

	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	EARNINGS MGN	ANN*	LAST PRICE	% CHG MGN	FROM-- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RFT CN PK	MKT VA (MIL\$)
EQUITY TRUSTS														
API TRUST #	O-APIIS	1012	11.89	0.40	DEC	0.32	4.50	5.9	20.0	14.1	8.9	-62.2	2.7	4.6
C I REALTY #	N-CIX	2609	16.59	0.00	NOV	0.36	6.13	8.9	32.4	17.0	0.0	-63.1	2.2	16.0
CITIZENS GR#	O-CITCS	811	8.01	0.00	CCT	0.00	1.00	-20.0	-20.0	0.0	0.0	-87.5	0.0	0.8
CON ILL PRO#	N-CIF	4808	21.09	1.28	CCT	1.00	16.63X	3.5	0.8	16.6	7.7	-21.1	4.7	80.0
CONSC CAP R#	O-CCPLS	1989	21.24	2.02	←ALG	2.32	25.00X	4.9	2.0	10.8	8.1	17.7	10.9	49.7
DENVER FET #	O-DENVIS	1091	8.78	0.60	SEP	0.80	8.50	13.3	25.9	10.6	7.1	-3.2	9.1	9.3
FEDERAL RLTY	A-FRT	1353	9.66	1.24	DEC	1.16	13.88	-5.1	5.7	12.0	8.9	43.7	12.0	18.8
FIRST UNION#	N-FUR	4011	8.46	1.00	JAN	1.16	12.13X	3.2	0.0	10.5	8.2	43.0	13.7	48.7
FLORIDA GLF#	O-FGLFS	975	15.49	1.28	JAN	1.28	13.50	1.9	20.0	10.5	9.5	-12.8	8.3	13.2
FST FIDELITY#	O-FFITS	866	10.65	0.14	NOV	0.24	3.25	0.0	8.3	13.5	4.3	-69.5	2.3	2.8
GENERAL GRO#	N-GGP	6202	6.14	1.40	DEC	1.44	23.38X	3.7	5.1	16.2	6.0	280.8	23.5	145.0
GOLD INVST#	A-GTR	1179	6.50	0.10	DEC	0.91	5.88	17.6	74.0	6.5	1.7	-9.5	14.0	6.9
GREIT RITY #	A-GRT	998	10.98	0.40	JAN	1.00	6.38X	5.7	2.1	6.4	6.3	-41.9	9.1	6.4
HLEARD RFT	N-HRE	4004	21.98	1.20	JAN	1.40	16.50	4.8	4.8	11.8	7.3	-24.9	6.4	66.1
NEW PLAN RI	O-NPLNS	1395	2.56	0.96	↑CCT	0.72	10.50X	8.5	16.7	14.6	9.1	310.2	28.1	14.7
PENN RFT #	A-PEI	1516	12.03	1.15	NOV	1.56	12.88	-8.0	-8.0	8.3	8.9	7.1	13.0	19.5
RFT CF AMER	A-REI	1633	21.10	1.20	←FEB	0.97	14.63X	1.2	-8.6	15.1	8.2	-30.7	4.6	23.9
SUMMIT PROP#	O-SMNTS	1554	7.07	0.00	JAN	0.27	2.75	10.0	37.5	10.2	0.0	-61.1	3.8	4.3
WASH RFT #	A-WRE	1474	10.57	1.76	DEC	1.68	↓24.38	0.0	2.7	14.5	7.2	130.7	15.5	35.9
WISC RFT FD#	O-WREIS	1514	4.58	0.00	SEP	0.02	3.25	36.6	116.7	162.5	0.0	-29.0	0.4	4.9
GROUP AVERAGE		2050	11.77	0.81		0.93	11.25	3.2	6.8	12.1	7.2	-4.4	7.9	571.3

EQUITY AND MORTGAGE COMBINATION TRUSTS														
AMER REALTY	A-ARR	2222	2.80	0.00	DEC	0.09	1.13	79.4	79.4	12.6	0.0	-59.6	3.2	2.5
BANKAM RLTY	O-BRLTS	3547	15.27	0.52	JAN	1.18	10.00	-5.9	0.0	8.5	5.2	-34.5	7.7	35.5
BRT RLTY TR	A-BRT	1400	5.88	0.00	NOV	0.00	0.88	-6.4	0.0	0.0	0.0	-84.2	0.0	1.2
FLATLEY RLT	O-FLTIS	1000	6.54	0.00	SEP	0.16	2.75	-8.3	-8.3	17.2	0.0	-58.0	2.4	2.8
FRANKLIN RLY	A-FR	994	7.44	0.00	DEC	0.00	3.88	0.0	19.4	0.0	0.0	-47.8	0.0	3.9
HOTEL INVSTP	A-HOT	1545	17.62	1.20	FEB	1.12	11.50x	-8.4	-8.9	10.3	10.4	-34.7	6.4	17.8
INDIANA MRF#	O-INDMS	1154	8.96	0.00	DEC	0.00	2.63	-8.7	5.2	0.0	0.0	-70.6	0.0	3.0
INVESTOR FL#	A-IRT	1579	10.52	0.00	FEB	0.63	↑4.63	2.0	47.3	10.5	0.0	-37.0	6.0	10.5
JMB REALTY#	O-JMBRS	510	18.57	1.60	←NOV	2.25	↓14.00x	-0.7	3.7	6.2	11.4	-24.6	12.1	7.1
LINCOLN MTG#	O-LNMG	1195	1.71	0.00	DEC	0.00	0.63	43.2	43.2	0.0	0.0	-63.2	0.0	0.7
MILLER HEN S	O-HSMTS	560	16.95	0.60	NOV	0.66	9.00	0.0	20.0	13.6	6.7	-46.9	3.9	5.0
NJR PRIME	C-NJP	1280	-5.12	0.00	FEB	0.00	0.44	15.8	63.0	0.0	0.0	NEG.	0.0	0.6
PLAZA REALTY	O-PNE	1114	3.51	0.00	SEP	0.00	0.88	0.0	-12.0	0.0	0.0	-74.9	0.0	1.0
PROP TRUST#	C-PTRAS	2506	7.53	0.20	DEC	0.16	↓4.63	2.9	15.7	28.9	4.3	-38.5	2.1	11.6
RIVIERE RLY#	O-RIVTA	783	8.80	1.00	←DEC	1.35	↓8.75x	1.4	2.9	6.5	11.4	-0.6	15.3	6.9
<u>RLTY INCOME</u>	<u>A-RIT</u>	<u>1565</u>	<u>12.70</u>	<u>1.40</u>	<u>CCT</u>	<u>2.27</u>	<u>10.00</u>	<u>-4.8</u>	<u>-4.8</u>	<u>4.4</u>	<u>14.0</u>	<u>-21.3</u>	<u>17.9</u>	<u>15.6</u>
SAN FRAN RF#	A-SFI	1348	19.95	0.60	DEC	1.28	12.38	0.0	12.5	9.7	4.8	-37.9	6.4	16.7
SAUL (H)RFT	A-RFS	5458	6.95	0.00	DEC	0.00	4.00	6.7	-3.1	0.0	0.0	-42.4	0.0	22.6
US BANCORP #	A-UBT	840	16.24	0.00	FEB	0.00	8.13	-7.0	2.4	0.0	0.0	-49.6	0.0	6.9
US REALTY #	A-UTY	3434	4.03	0.00	DEC	0.16	↑3.38	-3.4	28.5	21.1	0.0	-16.1	4.0	11.6
VIRGINIA RF#	C-VARFS	1251	10.02	0.10	SEP	0.88	7.00	-6.7	7.7	8.0	1.4	-30.1	8.8	8.8
WALTER RLTY#	C-WALLS	1035	10.72	0.00	JAN	0.00	4.25	0.0	30.8	0.0	0.0	-60.4	0.0	4.4
GROUP AVERAGE		1658	9.42	0.33		0.55	5.77	-2.1	7.0	10.4	5.7	-38.8	5.9	196.6

SUBORDINATED LAND TRUSTS														
BAY COLONY P	A-BAY	2992	7.51	0.00	FEB	0.00	2.75	-15.4	-24.2	0.0	0.0	-63.4	0.0	8.2
ICM REALTY	A-ICM	3011	14.07	0.00	FEB	0.55	5.44	8.8	-16.3	9.9	0.0	-61.3	3.9	16.4
PROPERTY CAP	A-PCL	2065	13.67	1.20	JAN	1.20	11.63	2.2	-3.1	9.7	10.3	-14.9	8.8	24.0
GROUP AVERAGE		2689	11.75	0.40		0.58	6.61	1.0	-10.4	11.3	6.1	-43.8	5.0	48.6

SHORT-TERM MTG-MTG BANKER															
ATICC MTG IN	A-ACC	2706	6.58	0.00	JAN	0.00	2.00	-6.1	-20.0	0.0	0.0	-69.6	0.0	5.4	
BAIRD KWARP	C-BAIDS	1043	16.70	0.96	JAN	0.12	7.25	-3.3	7.4	60.4	13.2	-56.6	0.7	7.6	
BARNES MTG	O-BARNIS	1910	12.89	0.00	DEC	0.00	7.25	-10.0	5.6	0.0	0.0	-82.5	0.0	4.3	
CENTRAL MTG	C-CNTRS	775	12.85	0.00	DEC	0.00	3.13	-10.6	4.3	0.0	0.0	-75.6	0.0	2.4	
CCLWELL MTG	C-CLM	2030	-1.16	0.00	DEC	0.00	0.50	-20.6	-73.4	0.0	0.0	NEG.	0.0	1.0	
FIRST CENTAL	O-FCRES	2106	10.28	0.88	NOV	0.88	7.88x	-3.3	-4.6	9.0	11.2	-23.3	8.6	16.6	
FRASER MTG I	O-FRASS	1038	16.40	1.00	FEB	0.96	10.25x	5.0	10.8	10.7	9.8	-37.5	5.9	10.6	
FRITMAN MTG	A-FTM	3292	3.76	0.00	DEC	0.00	↓ 1.50	-14.3	-14.3	0.0	0.0	-60.1	0.0	4.9	
JUSTICE MTG	A-JMI	1184	-3.41	0.00	DEC	0.00	1.63	-13.3	-31.6	0.0	0.0	NEG.	0.0	1.9	
KMC MTG IN	O-KMTGS	1100	2.22	0.00	NOV	0.00	1.13	-24.7	0.0	0.0	0.0	-49.1	0.0	1.2	
LOMAS & NTLA	N-LCM	3700	31.62	0.84	DEC	0.84	15.13	-4.7	0.9	18.0	5.6	-52.2	2.7	56.0	
MAT MTG INV	C-MTMS	1482	10.25	1.04	FEB	1.04	9.75	1.2	6.8	9.4	10.7	-4.9	10.1	14.4	
MIDLAND MTG	A-MMT	2382	1.43	0.00	DEC	0.00	1.25	-19.9	-16.7	0.0	0.0	-12.6	0.0	3.0	
NO AMER MTG	A-NAM	4403	11.36	0.00	DEC	0.00	4.00	-3.1	-18.0	0.0	0.0	-64.8	0.0	17.6	
SUTRC MTG IN	A-SUT	2322	14.96	0.00	DEC	0.04	6.50	-3.7	-8.8	162.5	0.0	-56.6	0.3	15.1	
TMC MTG INV	O-TMG	800	-6.42	0.00	SEP	0.00	0.19	0.0	-24.0	0.0	0.0	NEG.	0.0	0.2	
GROUP AVERAGE			2017	8.77	0.29		0.24	4.65	-4.0	-3.3	19.2	6.3	-47.0	2.8	162.3

#NET CASH FLOW, SEE PAGE 6. *GROSS CASH FLOW. NEG.-NEGATIVE BOOK VALUE. VJ-IN BANKRUPTCY REORGANIZATION. ARROWS DENOTE NEW EARNINGS OR DIVIDEND REPORTS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN. EXTRAORDINARY GAINS NOT ANNUALIZED. NAME CHANGE: CABOT LAND TO BAY COLONY PROPERTIES. GROUP CHANGE: GUARDIAN MORTGAGE INVESTORS FROM SHORT-TERM MTG. BANKER TO SHORT-TERM INDEPENDENT.

	EXCH/	SHARE	BOOK	ANN	EARNINGS	LAST	% CHNG	FROM--	P/E	ANN*	% PR	RET	MKT VA			
	SYMBOL	(000)	VALUE	DIV*	MCM	ANN*	PRICE	MCM	ACC	JAN 1	RATIO	YIELD	TO FK	CN	PK	(MIL\$)
SHORT-TERM MTG-INDEPENDENT																
BUILDERS INV	C-BULDS	2929	1.20	0.00	DEC	6.10	0.50	0.0	31.6	0.1	0.0	-58.3	508.3			1.5
CAPITAL MT	N-CMU	1675	0.81	0.00	DEC	0.00	1.13	-9.6	-9.6	0.0	0.0	39.5	0.0			1.9
VJ CONTINTI MTG	C-CMT	20838	-4.34	0.00	JAN	0.00	0.07	0.0	133.3	0.0	0.0	NEG.	0.0			1.5
COMMUNIC MAR	C-CMRTS	639	-7.40	0.00	NOV	0.00	0.56	-11.1	330.8	0.0	0.0	NEG.	0.0			0.4
VJ FIDELITY MT	C-FID	3046	-18.59	0.00	JAN	0.12	0.63	103.2	250.0	5.3	0.0	NEG.	-0.6			1.9
FIRST MTG IN	C-FMTGS	8455	-6.81	0.00	OCT	0.35	0.38	-13.6	52.0	1.1	0.0	NEG.	-5.1			3.2
VJ GPT AMER MT	O-GAA	4456	-11.34	0.00	JAN	0.00	0.19	-50.0	-38.7	0.0	0.0	NEG.	0.0			0.8
GUARDIAN MT	N-GMI	3000	-10.37	0.00	NOV	1.48	0.88	-29.6	-36.2	0.6	0.0	NEG.	-14.3			2.6
FAMILCON INV	C-FAMTS	2055	6.25	0.00	DEC	0.00	0.88	-36.2	-41.3	0.0	0.0	-85.9	0.0			1.8
INSTITUTAL	N-INV	6074	6.58	0.00	OCT	0.00	1.25	-9.4	-33.5	0.0	0.0	-81.0	0.0			7.6
MISSION INV	A-MIT	1812	5.11	0.00	FEB	0.00	1.63	0.0	0.0	0.0	0.0	-68.1	0.0			3.0
MTG INV WASH	C-MINVS	2146	6.90	0.00	DEC	0.00	1.88	-24.8	-24.8	0.0	0.0	-72.8	0.0			4.0
NATIONAL MTG	C-NMF	2353	-0.01	0.00	NOV	0.00	0.31	-18.4	63.2	0.0	0.0	NEG.	0.0			0.7
REPUBLIC MT	N-RMI	2107	5.77	0.00	DEC	0.00	1.63	-6.9	-18.5	0.0	0.0	-71.8	0.0			3.4
TEXAS 1ST MT	O-TFMES	1055	7.93	0.00	DEC	0.88	2.25	-5.5	-10.0	2.6	0.0	-71.6	11.1			2.4
TIERCO	C-GSR	1161	3.77	0.00	DEC	0.00	0.88	-29.6	175.0	0.0	0.0	-76.7	0.0			1.0
UNET TRUST	N-UAT	2105	3.11	0.00	FEB	0.00	1.63	8.7	-27.6	0.0	0.0	-47.6	0.0			3.4
WESTERN MT	C-WMTGS	1002	6.76	0.00	NOV	0.00	2.63	16.9	61.3	0.0	0.0	-61.1	0.0			2.6
GROUP AVERAGE		3722	-0.26	0.00		0.50	1.07	-9.0	-4.9	2.2	0.0	-513.5	-191.2			43.9

SHORT-TERM MTG-COMMCL BANK																
AMER FIFTECH	A-AFM	1352	0.25	0.00	JAN	0.00	1.13	-30.7	-39.5	0.0	0.0	352.0	0.0			1.5
HARNETT MTG	O-HMT	2174	-7.31	0.00	DEC	0.00	0.25	-43.2	-50.0	0.0	0.0	NEG.	0.0			0.5
CAMERON-PRWA	N-CP	2016	8.99	0.00	DEC	0.00	1.63	0.0	-6.9	0.0	0.0	-41.9	0.0			3.3
CHASE MAN MT	N-CMR	4886	-11.65	0.00	NOV	0.82	2.63	0.0	-16.0	3.2	0.0	NEG.	-7.0			12.9
CITINATI DEV	O-CITIT	600	13.23	0.00	SEP	0.00	3.88	-3.0	34.7	0.0	0.0	-70.7	0.0			2.3
CITIZENS MT	C-CZM	1421	-11.32	0.00	DEC	0.00	0.25	-34.2	-26.5	0.0	0.0	NEG.	0.0			0.4
CITIZASCO RI	N-CZS	3829	-7.19	0.00	DEC	1.57	0.63	65.8	-66.5	0.4	0.0	NEG.	-21.8			2.4
CONT ILL RLY	N-CIR	2757	0.19	0.00	DEC	0.00	2.38	-9.5	5.8	0.0	0.0	1152.6	0.0			6.7
FST COMMERC	C-FCRMS	1008	11.94	0.00	DEC	0.00	5.25	10.5	23.5	0.0	0.0	-56.0	0.0			5.3
FST DENVR MT	C-FDEKS	1621	1.06	0.00	DEC	0.00	1.00	-11.5	33.3	0.0	0.0	-5.7	0.0			1.6
FST PENN MT	N-FPM	2961	7.10	0.00	JAN	0.00	2.00	-11.1	-27.3	0.0	0.0	-71.8	0.0			5.9
FST WISCN MT	C-FWM	1510	5.76	0.00	DEC	0.80	2.38	0.0	58.7	3.0	0.0	-58.7	13.9			4.5
INDEPEND MTG	C-IMTGS	2500	-3.93	0.00	DEC	0.00	0.31	0.0	-18.4	0.0	0.0	NEG.	0.0			0.8
MARYLAND RLY	O-MDRTS	760	8.06	0.00	FEB	0.12	3.50	0.0	64.3	29.2	0.0	-56.6	1.5			2.7
TRI-SOUTH MT	N-TSI	2260	2.81	0.00	MAR	0.00	1.63	-6.9	18.1	0.0	0.0	-42.0	0.0			3.7
WACHOVIA RLY	N-WRI	3335	10.98	0.00	FEB	0.00	3.88	-6.1	-6.1	0.0	0.0	-64.7	0.0			12.9
WELLS FARG MT	N-WFM	3911	17.19	1.00	DEC	1.08	10.50	0.0	9.0	9.7	9.5	-38.9	6.3			41.1
GROUP AVERAGE		2314	2.72	0.05		0.26	2.54	-2.7	4.1	9.8	1.9	-6.3	9.5			108.5

SHORT-TERM-MISC FINCI																
AMER CENTURY	N-ACT	2607	6.05	0.00	DEC	0.00	2.38	-7.6	2.7	0.0	0.0	-61.8	0.0			6.0
BENEF STD MT	N-BSM	1355	1.70	0.00	JAN	0.00	1.62	0.0	-23.9	0.0	0.0	-4.7	0.0			2.2
CI MTG GROUP	N-CI	4812	-0.29	0.00	JAN	0.23	0.88	-6.4	-12.0	3.8	0.0	NEG.	-79.3			4.2
HANOVER SC R	A-HSC	946	10.82	0.00	FEB	0.02	4.25	-10.5	-15.0	212.5	0.0	-60.8	0.2			4.0
IDS RLY TR	N-IDR	2409	-17.40	0.00	OCT	0.00	0.50	-20.6	-20.6	0.0	0.0	NEG.	0.0			1.2
LMI INVSTORS	C-LMN	2009	3.67	0.00	DEC	4.81	0.75	-25.0	-6.3	0.2	0.0	-79.6	131.1			1.5
MTG TRIST AM	N-MT	3860	12.23	0.00	FEB	0.00	3.75	0.0	-19.0	0.0	0.0	-69.3	0.0			14.5
NATIONWID RE	C-NRELS	1047	24.04	0.16	DEC	0.20	6.25	-3.8	2.0	31.3	2.6	-74.0	0.8			6.5
GROUP AVERAGE		2381	5.10	0.02		0.66	2.54	-6.4	-10.0	3.9	0.8	-50.3	12.5			40.2

INTERMEDIATE-TERM MORTGAGES																
ALISCA MTG T	C-AMV	2339	0.43	0.00	JAN	14.90	1.19	-13.8	19.0	0.1	0.0	176.7	3465.1			2.8
HARNETT-INST	C-FWITS	1663	0.20	0.00	DEC	0.00	0.25	92.3	-69.9	0.0	0.0	25.0	0.0			0.4
DIVERSIFD MT	N-DMG	7327	6.95	0.00	SEP	0.00	1.13	0.0	-24.7	0.0	0.0	-83.7	0.0			8.3
FST VIRGINIA	C-FVM	1208	2.55	0.00	SEP	0.00	0.38	0.0	-5.0	0.0	0.0	-85.1	0.0			0.5
FLTY REFUND	A-RRF	1045	18.47	2.24	JAN	2.24	20.13	-3.6	2.5	9.0	11.1	9.0	12.1			21.0
SECURITY MT	A-SMO	6487	5.92	0.00	DEC	0.07	2.50	0.0	0.0	35.7	0.0	-57.8	1.2			16.2
GROUP AVERAGE		3345	5.75	0.37		2.87	4.26	-3.1	-1.1	1.5	8.8	-25.9	49.6			49.2

LONG-TERM MTG & EQUITIES																
ATLANTA NATI	C-ATNAS	1260	10.24	0.00	NOV	0.00	2.38	-20.7	58.7	0.0	0.0	-76.8	0.0			3.0
HT MTG INVTR	N-HTM	2116	-2.30	0.00	DEC	0.00	2.25	0.0	-10.0	0.0	0.0	NEG.	0.0			4.8
CLEVELAND RI	C-CIRTS	2525	10.85	0.00	DEC	0.00	3.25	8.3	23.6	0.0	0.0	-70.0	0.0			8.2
CGN GEN MAR#	N-CGM	5715	19.23	1.60	DEC	1.60	19.63	8.3	2.0	12.3	8.2	2.1	8.3			112.2
COUSINS MFC	N-CUZ	3854	1.13	0.00	FEB	0.00	1.38	-8.0	-31.0	0.0	0.0	22.1	0.0			5.3
EQUIT IF MTG	N-EIF	5605	23.66	2.20	JAN	2.20	25.50x	10.9	-3.3	10.8	8.6	7.8	10.0			142.9
FIDELCO GROW	A-FGI	1580	12.11	0.00	FEB	0.00	2.25	-18.2	-10.0	0.0	0.0	-81.4	0.0			3.6
FST MEMPHIS	C-FMENS	1156	4.40	0.00	NOV	0.00	2.00	-11.1	22.7	0.0	0.0	-54.5	0.0			2.3
GULF MTG&RLY	N-GMR	2210	5.39	0.00	NOV	0.00	2.63	-16.0	16.9	0.0	0.0	-51.2	0.0			5.8
HMC MTG&RLY	O-FMCS	2388	4.01	0.00	JAN	0.00	0.88	-12.0	-12.0	0.0	0.0	-78.1	0.0			2.1
HOSPITAL MTG	A-HMG	1178	22.90	0.60	NOV	0.80	8.38x	4.9	26.4	10.5	7.2	-63.4	3.5			9.9
MASSMUT MTG	N-MML	4670	19.41	1.16	JAN	1.16	13.88	1.8	-1.8	12.0	8.4	-28.5	6.0			64.8
MNY MTG INV	N-MYM	8840	9.92	0.52	FEB	0.88	11.00x	5.6	-4.3	12.5	8.4	10.9	8.9			97.2
MTG GROWTH T	A-MTG	2652	10.81	0.48	FEB	0.20	5.50x	-5.4	0.0	27.5	8.7	-45.1	1.9			14.6
NOWSTRN FINC	O-NFINS	1510	14.42	0.00	DEC	0.00	3.63	0.0	32.0	0.0	0.0	-74.8	0.0			5.5
NOWSTRN MTL	N-NML	4758	19.08	1.00	DEC	0.88	12.63x	3.0	-5.6	14.4	7.9	-33.8	4.6			60.1
OLD STONE #8	C-OSMFS	813	9.38	0.00	DEC	0.00	7.38	1.8	11.3	0.0	0.0	-21.3	0.0			6.0
PACIFIC STMA	C-PSMFS	814	11.86	0.60	DEC	0.68	6.88	5.8	22.2	10.1	8.7	-42.0	5.7			5.6
PNE MTG& RLY	N-PNI	2437	18.52	0.40	DEC	0.52	7.88	-7.3	-14.8	15.2	5.1	-57.5	2.8			19.2
PAN PACIFIC	O-PPACS	1890	18.09	1.12	FEB	1.00	11.50x	1.3	10.8	11.5	9.7	-36.4	5.5			21.7
STATE MUTUAL	N-SMO	2786	-0.63	0.00	DEC	0.00	1.88	-6.0	36.2	0.0	0.0	NEG.	0.0			5.2
UNITED RLY	A-LRT	3610	17.58	0.72	FEB	0.72	9.00x	9.5	5.9	12.5	8.0	-48.8	4.1			32.5
GROUP AVERAGE		2926	11.82	0.49		0.49	7.35	2.7	2.8	15.0	6.7	-37.8	4.2			632.5

HOW TO USE COMPARATIVE TRUST STATISTICS

CONVERTIBLE DEBENTURES

DEBENTURE	EX MAT	INT (%)	CONV AT	PERCENT YIELD PRICE	% CHG
ALISON MTC	CC '91	6.75	27.50	27.00 25.0	-22.9
AMER CENTURY	AS '90	7.00	21.00	62.25 11.2	2.7
AMER CENTURY	NY '91	6.75	28.00	61.50 11.0	-2.4
AMER REALTY	CC '84	7.00	10.40	30.00 23.2	0.0
BALHAWARNEH	CC '91	6.75	21.00	66.00 10.2	-1.5
HANKAMERICA	CC '90	6.75	21.00	68.00 7.7	0.0
HENFF STO MI	AS '91	6.50	27.75	46.00 14.1	-3.2
CAPITAL MTC	CC '91	6.50	33.00	36.00 18.1	-2.7
CHASE MANHVN	NY '96	6.50	55.00	48.50 13.4	0.0
CCLWELL MTC	CC '91	6.50	29.38	26.00 25.0	0.0
CONN GENERAL	NY '96	6.00	32.50	73.00 8.2	-2.7
CONTATE MTC	CC '90	6.25	19.75	5.00 VJ	5.3
EQUITRL LF M	NY '90	6.75	26.25	85.00 7.6	-2.2
FIDELITY MT	CC '85	7.75	21.25	12.00 VJ	20.0
FIRST PENN	CC '91	6.75	26.00	48.00 14.1	2.1
FIRST UNION	NY '91	7.00	13.00	53.00 7.5	2.2
FRANKLIN RLY	AS '89	7.00	10.00	71.25 9.8	1.8
GRT AMER MT	CC '91	7.00	35.50	6.00 VJ	20.0
HANOVER SC R	AS '92	7.25	21.00	65.00 10.5	3.0
HITMAN MTC	AS '92	7.50	14.70	60.00 12.5	0.0
HNC MTC	CC '91	6.75	21.00	47.00 14.4	4.4
HOTEL INVSTR	CC '90	7.75	21.00	81.00 9.6	6.6
HOTEL INVTRS	CC '91	7.50	25.25	77.00 9.7	6.9
LINCINN MTC	CC '90	8.00	11.00	40.00 20.0	0.0
MASSLU MTC	NY '90	6.75	21.00	82.00 8.2	0.0
MASSLU MTC	NY '91	6.25	33.50	74.00 8.4	0.0
MIDLAND MTC	CC '86	7.00	16.67	40.00 17.5	2.6
MONEY MTC	NY '90	7.00	11.00	58.50 7.1	3.1
MTC INV WASH	CC '90	8.00	15.00	55.00 13.4	0.0
NATIONAL MTC	CC '91	7.00	12.00	5.00 140.0	0.0
NUP PRIME	CC '91	6.75	21.00	30.00 22.5	0.0
NEWSTN MTC	NY '91	6.00	21.00	75.00 8.0	-5.7
OLD STONE MT	CC '87	6.88	15.00	80.00 8.6	8.1
PACIFIC	CC '91	6.75	21.00	72.50 9.3	-1.4
REALTY INCOM	AS '91	8.00	18.00	83.00 9.6	0.0
REPUBLIC MT	NY '90	9.00	19.00	83.75 10.7	0.7
SAUL (RF) FL	CC '91	6.50	23.00	62.00 10.5	6.4
SAUL (PF) RFI	CC '90	8.00	15.00	72.00 11.1	1.4
STATE MUTUAL	AS '91	6.75	21.00	33.00 20.5	-5.7
SUTRO MT	NY '82	6.75	20.00	81.00 8.3	0.0
SUTRO MTC	AS '91	6.75	20.00	72.00 9.4	0.7
TRI-SOUTH MI	NY '92	7.00	29.50	36.00 19.4	-0.7
US HANOVER	AS '92	7.00	26.25	72.00 9.7	0.0
US REALTY IN	NY '89	5.75	20.20	56.25 10.2	-2.8

WARRANTS

NAME	EXCH/ SYMFCI	EXP DATE	CLT (000)	EXPR PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MTL \$)
AMER CENTURY	A-ACTW	6/78	897	23.00	1.0	0.06	2.38	898.3	0.0	0.1
ATICO MTC IN	A-ACOW	12/79	563	15.00	1.0	0.31	2.00	665.5	-18.4	0.2
HARNES MTC	C-BARNW	12/82	1910	20.00	1.0	0.01	2.25	789.3	0.0	0.0
HENFF STO MT	A-BSMX	7/80	554	20.00	1.0	0.31	2.13	853.5	-18.4	0.2
HRT RLY TR	A-BMTC	11/77	1400	10.00	1.0	0.03	0.88	1039.8	0.0	0.0
CAPITAL MTC	C-CMOW	11/79	471	20.00	1.0	0.01	1.13	1670.8	0.0	0.0
DENVER REIT	C-DENV5	5/77	177	11.00	1.0	0.01	8.50	29.5	-83.3	0.0
FIRST UNION	C-FURFW	12/77	600	12.75	1.0	0.19	12.13	6.7	-50.0	0.1
FLATLEY RLY	C-FLTW	5/77	1000	10.00	1.0	0.25	2.75	272.7	0.0	0.3
JMR REALTY	C-JMPRW	8/77	510	20.00	1.0	0.30	14.00	45.0	0.0	0.2
KAT MTC INV	C-KMTW	8/80	747	13.00	1.0	0.25	9.75	35.9	0.0	0.2
MISSION INV	A-MITW	12/77	604	16.50	1.0	0.02	1.63	913.5	100.0	0.0
MTC INV WASH	C-MINW	2/80	931	15.00	1.0	0.19	1.88	708.0	0.0	0.2
NATIONWID RE	C-NRFLW	1/81	652	32.00	1.0	0.10	6.25	413.6	0.0	0.1
NORTH AM MTC	A-NAMW	3/79	710	31.13	1.0	0.19	4.00	683.0	0.0	0.1
NEWSTN FIAC	C-NFINW	1/78	1510	18.06	1.1	0.03	3.63	358.3	0.0	0.0
PNR MTCAPITY	A-PMTW	12/77	1220	20.00	1.0	0.13	7.88	155.5	-31.6	0.2
REPUBLIC MI	A-RMTW	6/79	1064	20.00	1.0	0.16	1.63	1136.8	-36.0	0.2
RLY REFUND	C-RREFW	6/77	1013	20.00	1.0	0.19	20.13	0.3	-69.8	0.2
SAN FRAN RFI	A-SFIW	12/80	1348	25.00	1.0	1.00	12.38	110.0	-11.5	1.3
SECURITY MT	A-SMOW	5/79	3117	16.00	1.0	0.19	2.50	547.6	0.0	0.6
SUTRO MT(R)	A-SUTW	6/82	700	20.00	1.0	0.50	6.50	215.4	-10.7	0.3
SUTRO MT IN	C-SUTW	4/78	299	22.00	1.0	0.06	6.50	239.4	0.0	0.0
UNITED RLY	A-URTW	12/79	3610	20.00	1.0	0.38	5.00	126.4	22.6	1.4
WELLS FARGO	C-WELLW	7/77	3458	20.00	0.5	0.15	10.50	93.3	0.0	0.5

SUTRO "B": AFTER 6/1/77, EXERCISE PRICE \$22 TO 6/1/82 EXPIRATION
*DEBENTURES USABLE IN LIEU OF CASH.

CITIZENS & SOUTHERN REALTY 300,000 warrants at 80% of market price 30 days prior to 10/15/77. Priced \$3 bid and shares 63¢ bid. 6 3/4% debentures usable at par.

These data are designed to facilitate comparison of relative efficiency of real estate investment trust managements with available funds. Readers should note that historical data are used and thus no earnings or dividend projections or estimates are included. Investors are advised to consider carefully the following distinctive characteristics of REITs compared with other industrial or financial securities:

Annualized Dividend and Yield: Most REITs do not pay a posted quarterly dividend rate but instead pay their approximate earnings (or net cash flow, if appropriate) for the quarter. They follow this practice because REITs are required to pay at least 90% of earnings to shareholders in order to qualify for exemption from Federal income taxes. This practice means that dividends paid by most REITs will vary much more from quarter to quarter than industrial securities. This possibility for quarterly variations gives REIT shares higher risk because earnings do not provide a safety margin of coverage for the dividend as they do for industrial stocks. The outlook and stability of dividends are thus key factors in our RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusted for any capital gains or other special dividend payments. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to be continued in subsequent quarters. Because of these possible variations, annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

Annualized Earnings and Price/Earnings Ratio: For mortgage trusts, latest quarter earnings are multiplied by four. Zeroes indicate losses or no earnings for the quarter indicated. Losses per share are shown in RELATIVE APPEAL RANKINGS. For equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings as the best single measure of results. Net cash flow is defined as net income plus depreciation minus mortgage amortization. The symbol "H" indicates cash flow in the earnings column. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used, denoted by "H". Cash flow derived from amortization of debt discount is denoted by "D". The price/earnings ratio relates current price to the most appropriate earnings result. Both earnings (EPS) and net cash flow (CFS) per share for equity trusts for current periods are shown in RELATIVE APPEAL RANKINGS.

Shares: The number of shares outstanding, in thousands, is the number issued as of the latest balance sheet and is not adjusted for any potential conversion of debentures or exercise of warrants. Book value per share is essentially net tangible worth per share. The number does not reflect any changes in asset values through appreciation or abnormal depreciation of assets, nor any potential increase from possible conversion of debentures. Realized and estimated investment losses, as determined by management's provision for possible losses, are deducted from book value under AICPA rules. Audit also deducts intangible debt discount and expense costs from book value.

Trusts are grouped into nine categories under three major groupings to facilitate comparison. The category used for each trust is shown in RELATIVE APPEAL RANKINGS. **Equity and combination** groups include **Equity** trusts with over 80% of invested assets in direct ownership of completed income producing properties; **Equity & Mortgage combination** which balance investments between equity ownership and mortgages; and **Subordinated Land** trusts, investing primarily in ownership of land beneath income producing properties and leased to building operators.

Short-term mortgage groups invest primarily in mortgages under three years maturity, mainly construction, land development and other interim loans. They are grouped by sponsorship as follows: **Mortgage banker; Independent; Commercial bank; and Miscellaneous financial institutions.**

Intermediate & long-term mortgage groups are classed as intermediate-term for those whose predominant holdings mature in three to 10 years; and **long-term** for those with loans maturing in over 10 years, and generally with some equity investments.

CONTINUED FROM PAGE 2-- rose 18%. Most ownerships have been acquired via junior development mortgages convertible into full or partial ownership of centers. Three holdings listed above were acquired in this fashion, and the trust recently converted \$4.2 million of such loans into 100% ownership of 210,000 sf Crossroads S.C., Ft. Dodge, Iowa, and 203,000 sf Westgate S.C., Abilene, Tex. Another \$4 million convertible loans are on 430-room Hotel Pontchartrain in Detroit; and five K marts in Oregon and Wyoming. Conversion to ownership is made only when cash flow is proven. Inside shopping centers, FUR has recently leased 104,000 sf for a K mart replacing space formerly occupied by bankrupt W.T. Grant at Shreveport Plaza, Shreveport, La., and two long-term leases are in final stages covering 80,000 sf of 165,000 sf in Mall 205, Portland, Ore., vacated when White Front stores went bankrupt. At Crossroads S.C. in St. Cloud, Minn., Dayton-Hudson added an anchor store and the trust built a 100,000 sf mall addition; the mall is now 100% leased.

At end of FY 1976 the trust had acquired four properties in foreclosure: 79,000 sf Commerce Plaza office building in Santa Clara, Cal., now 50% leased; 173,000 sf Shreveport Plaza, Shreveport, La., now re-leased after the W.T. Grant bankruptcy; \$3.4 million in 149,000 sf Bay Center in Texas City, Tex., now 86% occupied; and \$7.4 million in Mall 205 in Portland, Ore., now substantially re-leased. Cash flow drains from these properties have been nominal and generally of short duration, again attesting to management aggressiveness in re-leasing space.

LOSS & DEPRECIATION RESERVES: As an equity trust, FUR does not provide a reserve for losses. Properties acquired in foreclosure are taken directly into investment holdings with any adjustments to value at time of acquisition. Depreciation is computed mainly by straight-line and amounts to \$28.7 million (or \$7.09/sh.). During 1976 the trust had 11 properties appraised independently and as a result lengthened their depreciable lives, reducing depreciation charges for FY 1976 by \$435,000, or 11¢/sh.

FINANCING: Total debt of \$121.3 million, pro forma to reflect sale of \$10 million preferred stock in February 1977, was 2.8 times preferred and common equity. This leverage ratio is viewed as conservative since the bulk of debt is self-amortizing mortgage debt on property. The trust views its capital base as approximating \$85-\$90 million, including \$34 million common equity net of unamortized discount, \$10 million preferred, \$16.1 million 7% subordinated debentures convertible at \$13, and \$28 million accumulated depreciation. Trust strategy is to borrow short-term to buy investment properties and then fund these properties with either mortgage debt or other long-term capital, so as to reduce exposure to short-term interest rate fluctuations. A purchase and funding cycle was completed in Feb. 1977 when the trust sold \$10 million of participating preferred, convertible into common at \$13¼, to institutions. This is the first preferred sold directly by a REIT; other REIT preferreds have been exchanged for properties. The issue carries an 8¼% return its first year, increasing by a minimum ¼% each year for three years to 9%, with additional increases based upon a share of trust cash flow over a stabilized base. On a pro forma basis, the preferred would have reduced cash flow available to the common by about 1½¢/sh. in FY 1976.

RESULTS & OUTLOOK: Earnings before capital gains rose 11.7% to \$0.86/sh. in FY 1976 with the reduction in depreciation expense of 11¢ accounting for all the gain. Jan. 1977 quarter earnings at 20¢/sh. were level with the prior year. Net cash flow as computed by Audit (net income plus real estate depreciation less mortgages repaid) rose 4% to \$1.14/sh. in FY 1976 and was level in the Jan. quarter. The quarterly dividend was increased 1¢ to 25¢ with the final 1976 payment and this rate is likely through the balance of FY 1977. Overall this is a solidly managed and financed trust which has generally chosen properties well and maximized longer-term income. The convertibles offer an interesting play on the common and safe yield. At 12, the shares return about 8.2% yield currently. Since we believe we are still in early stages of an upturn in investor enthusiasm for property ownership, the shares have some moderate upside potential over the longer-term.

(KDC)

NATIONWIDE REAL ESTATE INVESTORS (6 Bid--OTC--NRELS) FY March 31

REAL ESTATE INVESTMENTS: Total investments peaked at \$61.4 million in March 1974 and have fallen 29% to current levels, which are expected to be about the low point of the decline. The trust has approval of its banks to make new commitments and investments and management foresees eventual growth in investments back near previous highs. Unfunded commitments for construction and development loans have been rising, doubling to \$12 million in the six months to Dec. 1976; further increases are expected. About two-thirds of total C&D loan commitments are covered by takeout commitments for permanent mortgages by third-party lenders, including the sponsoring life insurance company; however \$4.4 million of the \$10.5 million uncovered commitments are for construction of single family and condominium units for which individual buyers generally arrange permanent financing.

Real estate investments at March 1976, latest reported breakdown, were concentrated in the Midwest with 36% in Ohio; 18% in Indiana; 8% each Michigan and Pennsylvania; and 5% each in Minnesota, District of Columbia, and North Carolina. Holdings are widely diversified by property type with 20% medical facilities, 19% condominiums, 12½% hotel/motel, 12% one-family, 10% land and development, 9% office buildings, 6% retail, and 4% apartments.

The trust avoided most problems afflicting many mortgage trusts by sticking to first mortgage investments (only one second mortgage for \$365,000 is held) and thereby avoiding the legal tangles encountered by REIT holders of second mortgages and other junior liens. Thus foreclosure generally has been accomplished promptly when necessary without extra legal expense. This stress on first mortgages resulted in investment in a substantial volume of intermediate and long-term conventional and FHA-VA mortgages, investments shunned by many mortgage trusts because their yield generally is lower than construction and development loans. These longer-term mortgages, about 35% of investments, provided stable income and performed with low levels of problems during the 1974-75 real estate recession. Permanent long-term loans of about \$8.8 million on seven Midwestern medical facilities have been especially stabilizing.

A total \$14.4 million, or 33% of investments, is classed as mortgage loans not accruing income or foreclosed property held for resale. This percentage is well below the industry average for mortgage trusts and has been declining slowly in recent quarters. Largest problem investment is \$3.1 million total investment in Fairview Corp., successor to the builder of a condominium project in exclusive Country Club Village between Akron and Canton, O.

Two other investments were added to nonaccrual status in the Dec. 1976 quarter: \$2.6 million in a loan on a recently completed seven-story office building in Fort Wayne, Ind.; and \$1.5 million in a land development loan in Columbus, O. Another \$1.3 million retirement community loan was added effective Jan. 1, 1977. The recent additions mask improvement via sale of condos and a foreclosed motel in recent quarters.

FINANCING: Total debt is 0.9 times shareholders' equity, bespeaking conservative orientation in financing as well as portfolio. NREI borrows from 13 banks under open lines totaling \$39 million. Interest is at ¼% over the prime rate plus compensating balances for 12 banks of 10% of the line plus 10% of borrowings, and a fee in lieu of balances at the 13th bank. The 7% debentures were initially issued in 1971 as convertibles with additional contingent interest through Dec. 31, 1975. The conversion privilege expired Feb. 29, 1976, and no contingent interest was incurred in FY 1975 or 1976. They are now treated as straight bonds.

RESULTS & OUTLOOK: December quarter earnings and dividend improved only moderately because two large loans totaling \$4.1 million were added to nonaccrual status. Another \$1.3 million loan ceased producing income in the March 1977 quarter. These events mask underlying improvement in condominium sales and other operating properties. Addition of new earning investments to the portfolio should lower the percentage of non-earning loans over the next two-four quarters, and this coupled with curing of problems should permit further gains in earnings and dividends. The shares at 6 are anticipating further improvement but there seems ample room for capital gains in longer-term recovery toward book value of \$24.04/sh. The shares are thus viewed as interesting speculative recovery candidates.

(KDC)